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DD/S 61-4178

7 DEC 1961

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Inspector General's Survey of the Office of Logistics,  
June 1961 (Recommendation No. 23: Periodic Review  
by Office of Logistics of Direct Procurement  
Activity by Other Components)

REFERENCES : (a) Memo to DCI fr DD/S dtd 29 Sep 61, subject:  
"Inspector General's Survey of the Office  
of Logistics, June 1961"

(b) Memo to DCI fr DD/P dtd 9 Oct 61, same subject

1. This memorandum is for information only.
2. Reference (a) reported concurrence by the Deputy Director (Plans), Deputy Director (Intelligence), and Deputy Director (Support) in the Inspector General's recommendation that Deputy Directors authorize periodic review of the direct procurement activities of components under their jurisdiction and that the Director of Logistics assume responsibility for these periodic reviews as specified from time to time by the Deputy Director (Support). In support of this recommendation, the Inspector General cited an instance of procurement by the Development Projects Division (DPD) in which, from the point of view of total Agency interest, the Office of Logistics was insufficiently informed.
3. In reference (b) the DD/P expresses concern lest the proposed periodic reviews of DPD procurement activity become highly formalized or be delegated below the level of the Director of Logistics. The DD/P takes the position that the periodic consultations on procurement policies and functions which have been taking place between the DPD Contracting Officer (a Logistics careerist) and the Director of Logistics should be adequate to meet the intent of the IG's recommendation.
4. I agree with the DD/P that the Director of Logistics should continue to participate actively in on-going general consultations with the DPD Contracting Officer and to receive personally all briefings on DPD operational objectives and policies. The real thrust of the IG's recommendation, however, seems to me to point up the need for the Director of Logistics to exercise more fully his over-all responsibility for Agency procurement. With specific reference to DPD procurement, for the Director of Logistics to meet this responsibility would require

that he be briefed in more detail than at present on such items as: companies with which DPD is contracting; dollar value and scope of contracts; provisions of contracts which deviate from normal contracting practice; problems encountered in contract administration.

5. Within the Office of Logistics, the Chief of the Procurement Division has immediate responsibility for contract procurement. Also, Procurement Division furnishes the contracting officers to DPD. As a practical matter, I think it would be unfair and not in the best interests of the Agency to ask the Director of Logistics to be responsible for more detailed information on DPD procurement activity than he is presently receiving without the assistance of his Chief of Procurement. I would accordingly propose that the Chief, Procurement Division share with or receive on behalf of the Director of Logistics, as circumstances may dictate, the more detailed briefings on DPD procurement activity; and that these briefings be carried out on an informal basis at the convenience of all persons concerned.

6. With the exception noted in paragraph 5, I have no quarrel with the position taken by the DD/P in reference (b). I see no reason why implementation of the IG's recommendation along these lines should be any problem.

15/  
L. K. White  
Deputy Director  
(Support)

Attachment:

Memo to DCI fr DD/P dtd 9 Oct 61,  
subject: "Further Comment on the  
Inspector General's Report of Survey  
of the Office of Logistics"

cc: IG w/att (ref B)  
DD/P